

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

37

March 30, 2004

FROM: **DAVID H. SLAUGHTER**, Director
Real Estate Services Department

JOHN ROTH, Public Defender
Public Defender

SUBJECT: LEASE AMENDMENT WITH GLOVER FAMILY, LLC

RECOMMENDATIONS:

1. Approve Amendment No. 3 to Lease Agreement No. _____ (formerly Lease Contract No. S-99-007) with Glover Family, LLC to extend the term through November 31, 2005 for 1,524 square feet of office space in Rancho Cucamonga for the Public Defender (PD) in the amount of \$52,536.
2. Authorize the Real Estate Services Department (RES D) to negotiate further extensions to Lease Agreement No. _____.

BACKGROUND INFORMATION: On December 1, 1998, the Director of RESD executed a three-year lease agreement (No. S-99-007) with two two-year options to extend for 1,349 square feet of office space at 10565 Civic Center Drive, Suite 130, in Rancho Cucamonga. The original term was from December 1, 1998 through November 30, 2001. In the five years since the lease was originally approved, the Director of RESD has approved two amendments, which are summarized as follows:

<u>Amend. No.</u>	<u>Approval date</u>	<u>Action</u>
1	March 8, 1999	<ul style="list-style-type: none">• Corrected the square footage of the leased premises from 1,349 sq.ft. to 1,524 sq.ft.• Increased the monthly rent from \$1,619 (\$1.07/sq.ft./full service) to \$1,829 (\$1.20 sq.ft./full service)
2	January 16, 2002	<ul style="list-style-type: none">• Exercised the first of two two-year options extending the term to November 30, 2003• Increased the monthly rent from \$1,937 (\$1.27/sq.ft./full service) to \$2,134 (\$1.40/sq.ft./full service)• Provided for annual increases based on the change to the Consumer Price Index (CPI)• Added a provision to allow the County to terminate with 90-days notice

Page 1 of 3

Record of Action of the Board of Supervisors

37

The PD requested RESD exercise the second of two two-year options to extend the term through November 30, 2005. The lease has been in holdover while the PD reviewed the State budget impacts on its budget. The department did not want to be forced to close this office after exercising the option to extend. In the interim, negotiations with the landlord resulted in a rental rate that will remain the same during the first year of the extended term as the current rate. The lease terms are summarized as follows:

Lessor: Glover Family, LLC
(Robert L. Glover, Manager)

Location: 10565 Civic Center Drive, Suite 130, Rancho Cucamonga

Size: 1,524 square feet of office space

Term: Two years beginning and retroactive to December 1, 2003

Options: None remaining

Monthly rent:	<u>Cost per sq.ft. per month</u>	<u>Monthly</u>	<u>Annual</u>
	\$1.44* (no change)	\$2,189	\$26,268

*Mid-range for the Rancho Cucamonga area

Annual increases: Based on the percentage change to the CPI

Improvement costs: None

Custodial: Provided by Lessor

Maintenance: Provided by Lessor

Utilities: Provided by Lessor

Right to terminate: County has right to terminate with 90-days notice

Parking: Sufficient for County needs

PD is aware that this is the last available option to extend the term and desires to remain at this location. This office, which is located near the Foothill Communities Law and Justice Center, provides convenient and timely access to the courts. Tenant improvement costs have been fully amortized. New tenant improvement and moving costs would not be incurred if the department were able to remain in this location. County Policy 08-02-01 allows the use of an alternative procedure when compliance with requirements of a formal request for proposals or solicitation of proposals would unreasonably interfere with the financial or programmatic needs of the County or when the use of an alternative procedure would otherwise be in the best interest of the County. Therefore, the PD requests authorization for RESD to negotiate further extensions to this lease agreement.

REVIEW AND APROVAL BY OTHERS: This item has been reviewed by County Counsel (Fiona Luke, Deputy County Counsel, 387-5474) on November 12, 2003; Public Defender (Ray Salvador, Chief of Administration, 383-2400) on December 1, 2003; and the County Administrative Office [Daniel R. Kopp (387-3828) and Vicki Kratzke (387-8906), Administrative Analysts] on March 19, 2004.

FINANCIAL IMPACT: The total cost of this two-year amendment is \$52,536. The cost for this space in 2003-04 is \$26,268 (\$2,189 per month x 12 months). Payments will be made from the Rents budget (AAA RNT) and reimbursed from the PD budget (AAA PBD). Sufficient appropriation is available in both budgets. Annual lease costs (subject to CPI adjustment) are as follows:

<u>Year</u>	<u>Annual lease cost</u>
Dec. 1, 2003 to Nov. 30, 2004	\$26,268
Dec. 1, 2004 to Nov. 30, 2005	\$26,268

COST REDUCTION REVIEW: The County Administrative Office has reviewed this agenda item, concurs with the department's and RESD's proposal, and recommends this action based on the continuing need for the PD to provide services in the Rancho Cucamonga area. The lease cost is included in the PD budget and will not require additional local cost. Funding is anticipated to be available for the term of this lease extension. Consolidation of this space with other existing space has been explored and no feasible opportunity exists at this time. The lease can be terminated with 90-days notice.

SUPERVISORIAL DISTRICT: Second

PRESENTER: David H. Slaughter, Director, 387-7813

MDC: 387-7816 bas: 387-7830